

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1331-01
Bill No.: HB 716
Subject: Energy; Environmental Protection; Natural Resources Dept.
Type: Original
Date: April 5, 2011

Bill Summary: This proposal establishes the Renewable Energy Pilot Program for State Parks.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	\$0	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development - Public Service Commission** assume there will be no fiscal impact to their agency.

Officials from the **Department of Natural Resources (DNR)** assume this proposal would create the Renewable Energy Pilot Program where the Department in consultation with the Public Service Commission would develop and implement a pilot program in which renewable energy technology is used to operate a state park.

Under this proposal this pilot program would begin with the selection of a suitable state park by August 8, 2012 with a goal of achieving 100% renewable energy resources within the boundaries of the park using as many energy efficient products as possible. The proposal states that the goal of completing the pilot program would be August 28, 2017.

The DNR assumes the General Assembly would have to appropriate money to pay for energy efficiency measures and renewable energy for the pilot park program. It would be necessary to purchase renewable systems to install on-site or to purchase renewable energy credits (RECs) from electric utilities, if available. Renewably generated electricity cannot be directed to a particular site from the grid.

For purposes of this fiscal note, the department assumes the fiscal impact to implement this proposal would include additional resources to conduct energy use studies; make recommendations on what technologies are needed; develop requests for proposals; and oversee contracts. In addition, the department would need sufficient resources to select, purchase, and install renewable energy sources, and on-going maintenance of the renewable resources. Costs would also include promulgating rules to implement the requirements of this legislation.

The department's Division of State Parks operates 85 state parks and historic sites in Missouri. The costs to implement the pilot program is unknown at this time due to the range of energy needs in Missouri's state parks and historic sites and the need for further assessment and analysis to determine the best site for the proposed pilot project.

No funding source is identified for the proposed pilot project; therefore for purposes of this fiscal note, the department assumes there would be an unknown fiscal impact to the General Revenue Fund to pay for the associated costs.

ASSUMPTION (continued)

Oversight assumes this does not reflect the possibility of net metering by the park should there be excess energy credits. Also, in Section 640.950.3, the Department of Natural Resources could enter into a contract with the utility to provide for renewable energy resources for the department. This applies to those utilities regulated by the Commission as well as those electric utilities that are unregulated by the commission.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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GENERAL REVENUE

Savings - Department of Natural Resources

Renewable Energy Pilot Program	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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Cost - Department of Natural Resources

Renewable Energy Pilot Program	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON
GENERAL REVENUE**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

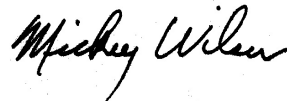
FISCAL DESCRIPTION

The proposed legislation establishes the Renewable Energy Pilot Program for State Parks.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Public Service Commission
Department of Natural Resources

A handwritten signature in black ink, reading "Mickey Wilson". The signature is fluid and cursive, with the first name "Mickey" and last name "Wilson" clearly distinguishable.

Mickey Wilson, CPA
Director
April 5, 2011